



五礦地產有限公司
MINMETALS LAND LIMITED

Minmetals Land Limited (Stock Code: 0230.HK)

2017 Annual Results Presentation

May 2018



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五礦地產有限公司
MINMETALS LAND LIMITED

Section 1

Company Overview



Company Overview

Minmetals Land is the sole Hong Kong listed real estate development flagship of China Minmetals Corporation

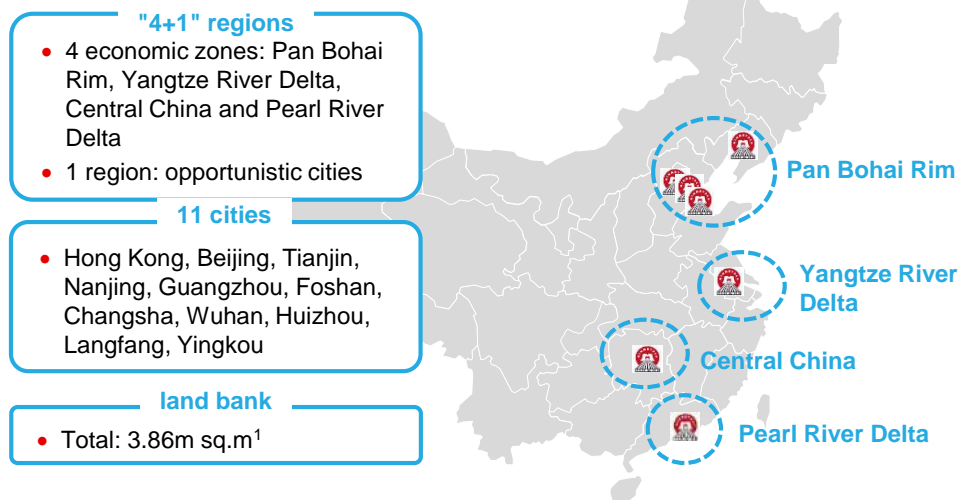
Real estate flagship and key business segment of China Minmetals Corporation

- Minmetals Land (“MML”, 230-HK) is listed on SEHK since 1991, acquired by China Minmetals Corporation (“CMC”) in 2003.
- CMC is one of the first 16 SOEs approved by SASAC to engage in property development as one of its principle business. CMC, operates under an integrated business platform, is a leading global metals and mining conglomerate enhanced by real estate and property development and financial services. It was ranked 120th among the Fortune Global 500 in terms of revenue in 2017.

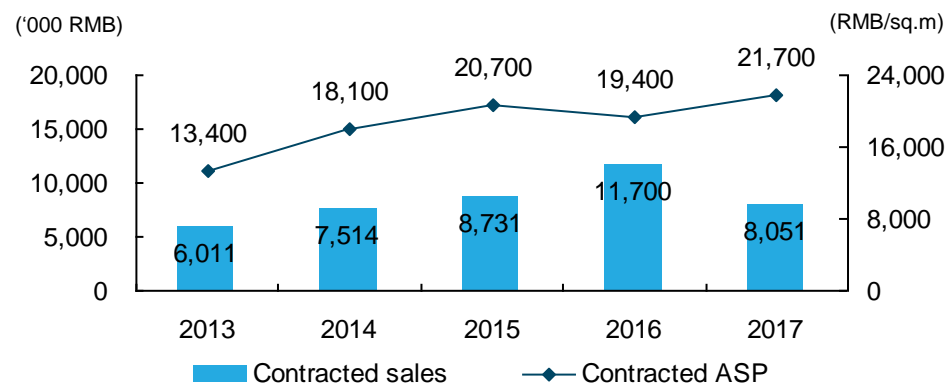
Diversified business model with quality property portfolio

- MML has a diversified business model with its core business in real estate development, supported by specialised construction business and 2 premium investment properties located in Tsim Sha Tsui and Central districts in Hong Kong.
- MML has 20 development projects located in 11 cities in the Pan Bohan Rim, Yangtze River Delta, Central China and Pearl River Delta Region in China & Hong Kong¹, which focus primarily on mid to high-end residential property segment.
- MML has been diversifying its business scope with existing footprint and pipelines in asset management, industrial real estate and property management services.

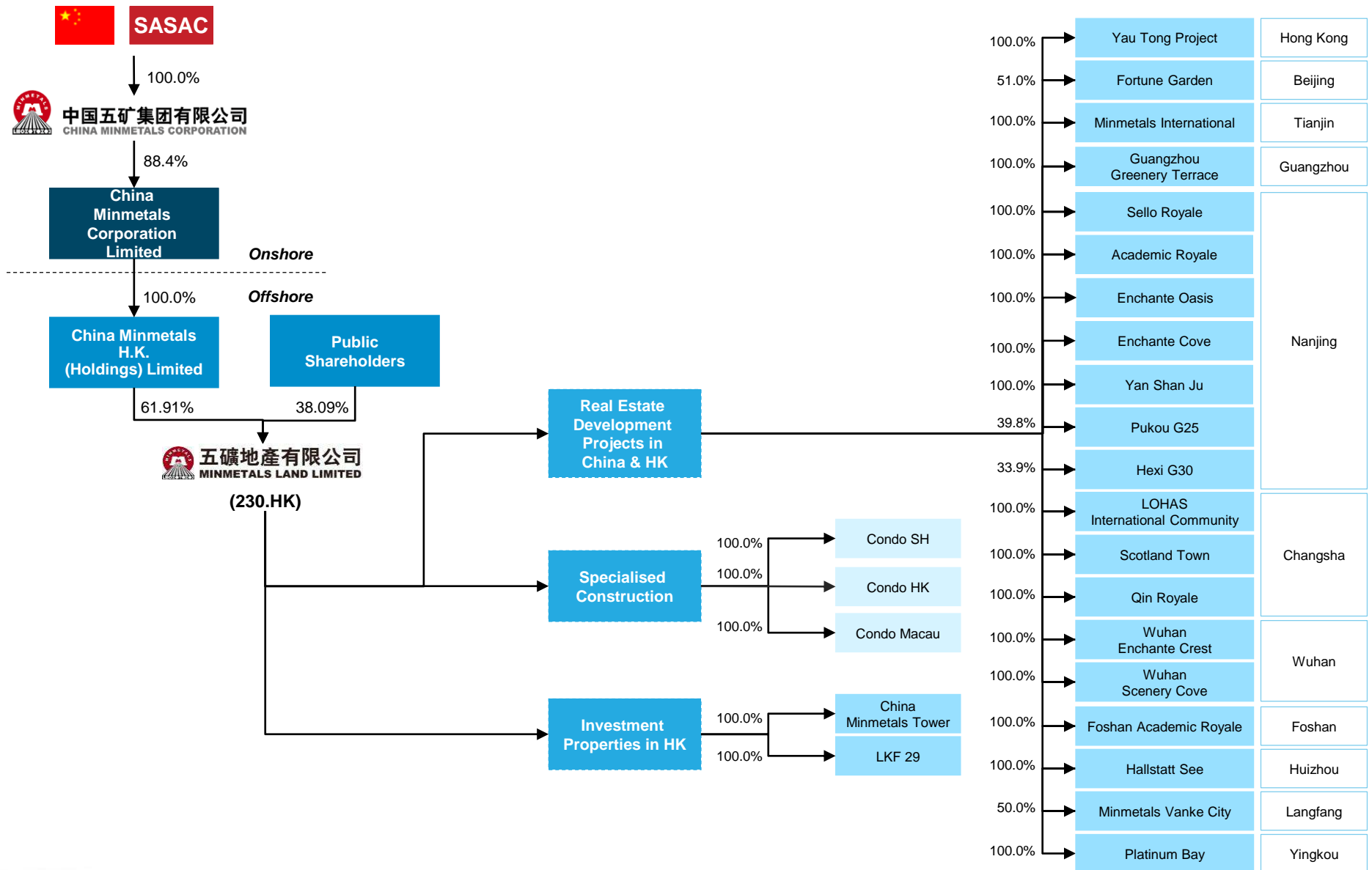
Land bank snapshot ¹



Rapid growth in real estate development business



Corporate Structure





五礦地產有限公司
MINMETALS LAND LIMITED

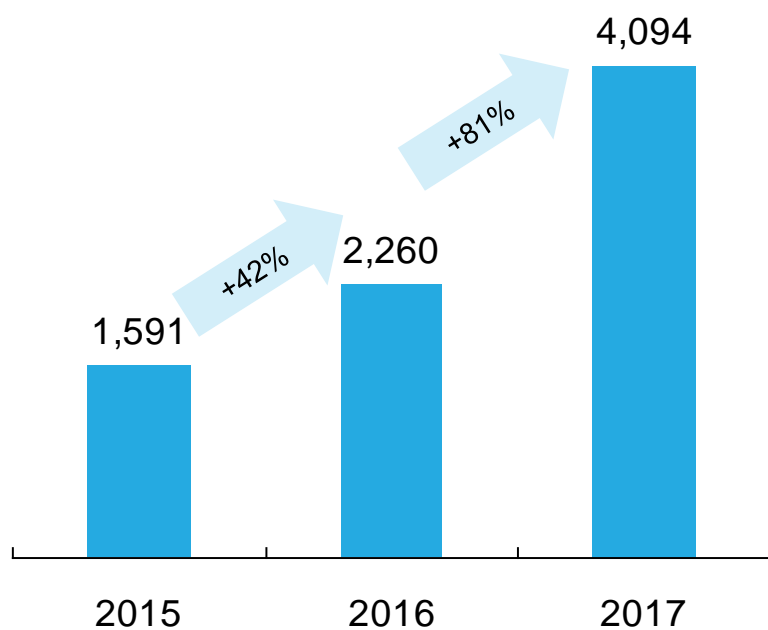
Section 2

Financial Review

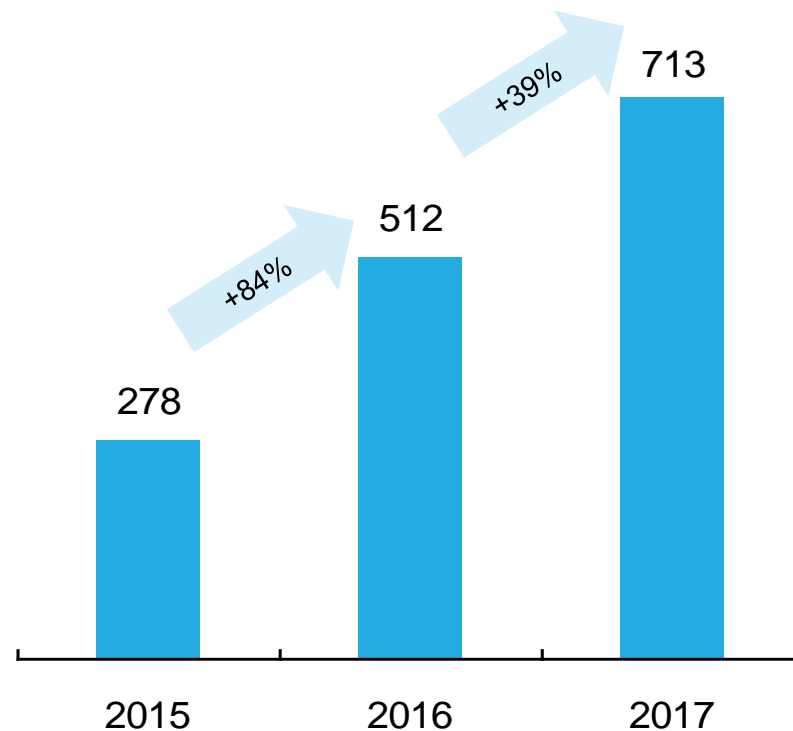


Highlights – Fast Growth in Profit

Gross Profit (HK\$m)

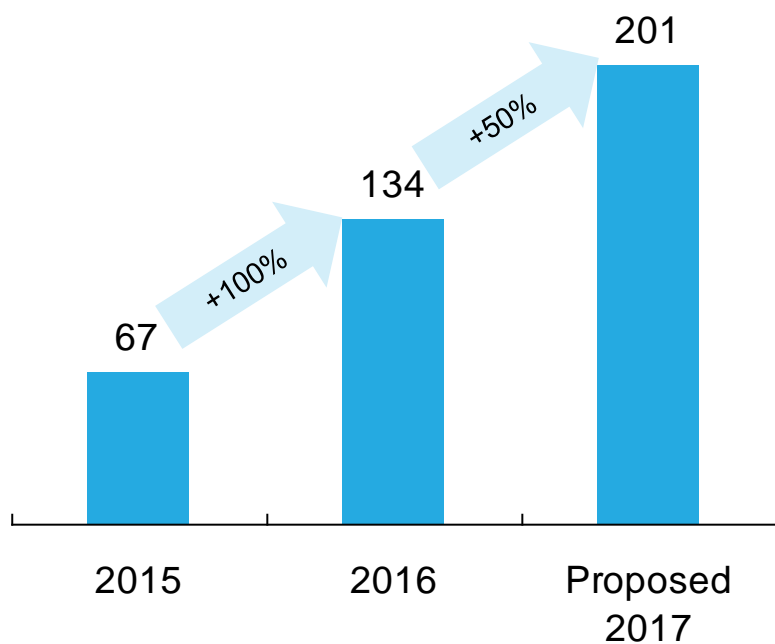


Profit attributable to equity holders (HK\$m)

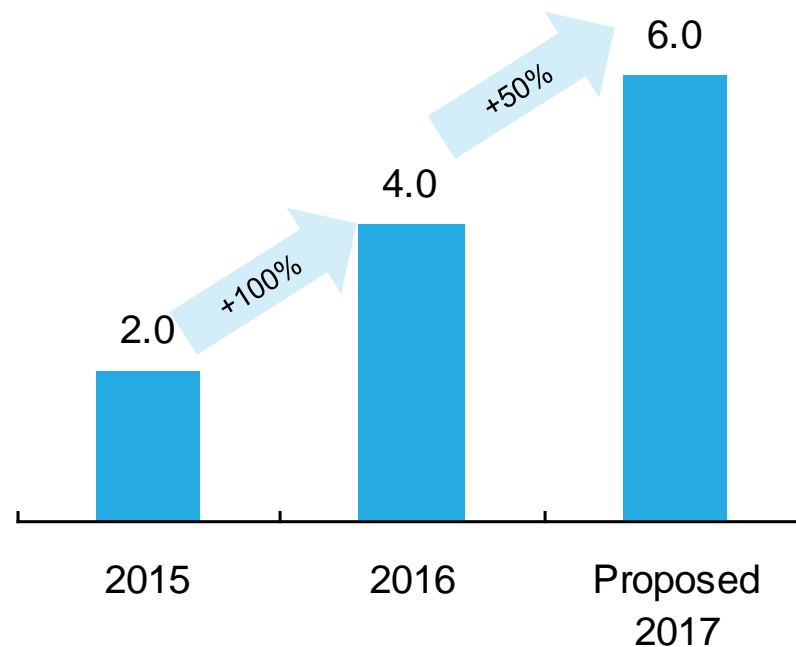


Highlights – High Growth in Dividend

Total Dividend Amount (HK\$m)



Dividend per Share (HK cents)

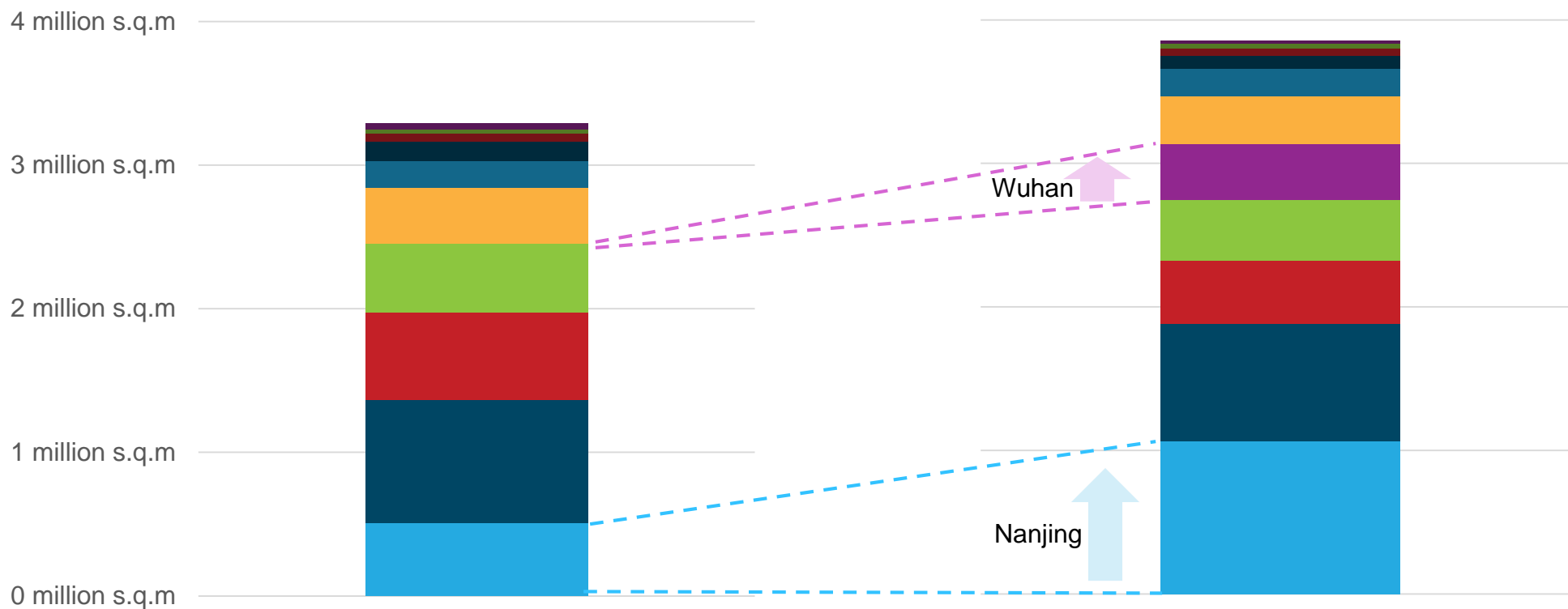


Highlights – Optimised Land Bank



Land bank as of Dec 2016

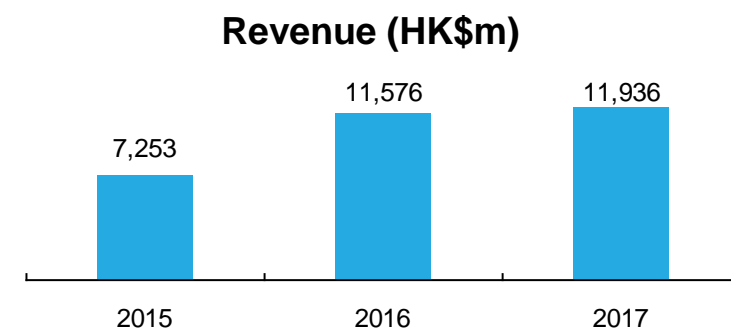
Land bank as of Dec 2017



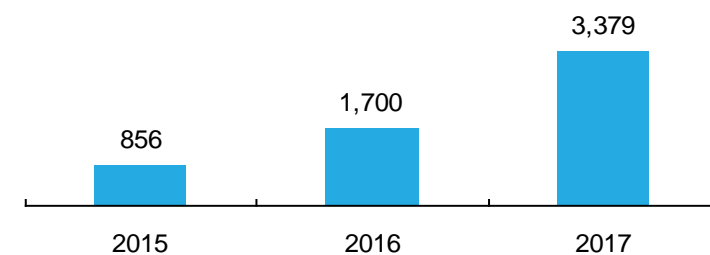
	Nanjing	Huizhou	Changsha	Langfang	Wuhan	Yingkou	Foshan	Beijing	Hong Kong	Guangzhou	Tianjin
Landbank	1,065,000	818,000	440,000	421,000	388,000	339,000	187,000	94,000	53,000	29,000	22,000
%	27.6%	21.2%	11.4%	10.9%	10.1%	8.8%	4.8%	2.4%	1.4%	0.8%	0.6%

Financial Summary – Income Statement

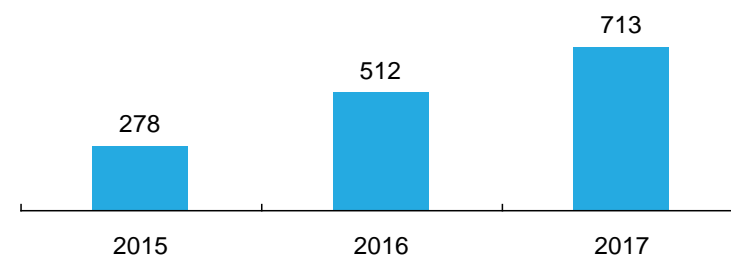
(HK\$m)	FY17	FY16	Y-o-Y change
Revenue	11,936	11,576	+3.1%
Gross Profit	4,094	2,260	+81.2%
Core operating profit (excl. asset revaluation & Finance income/costs and share of results from associates and JVs)	3,379	1,700	+98.8%
Profit for the year	1,449	997	+45.3%
Profit attributable to equity holders	713	512	+39.3%
Core EPS ¹ (HK cents)	16.8	11.6	+44.8%
EPS – Basic (HK cents)	21.3	15.3	+39.2%
Dividend per Share (HK cents)	6.0 (Proposed)	4.0	+50.0%
Dividend Payout Ratio	28.1%	26.1%	+2.0pct



Core Operating Profit (HK\$m)

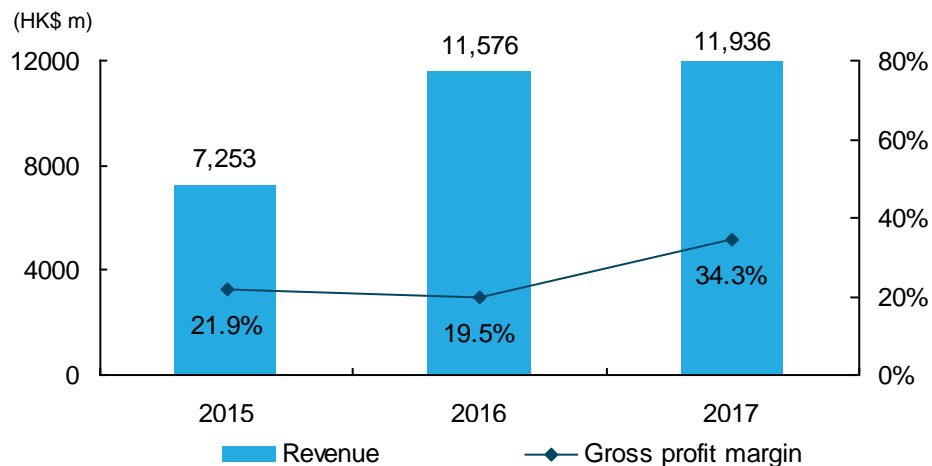


Profit attributable to equity holders (HK\$m)

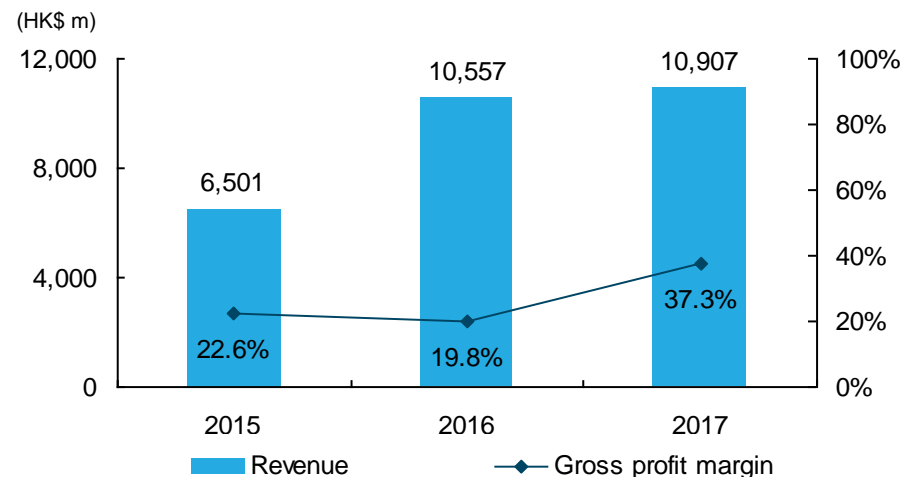


Financial Summary – Income Statement (cont'd)

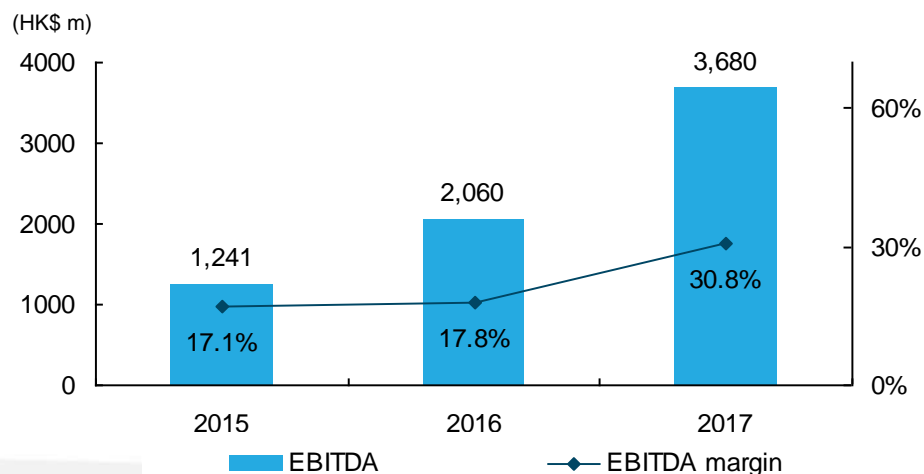
Revenue & Gross Profit margin



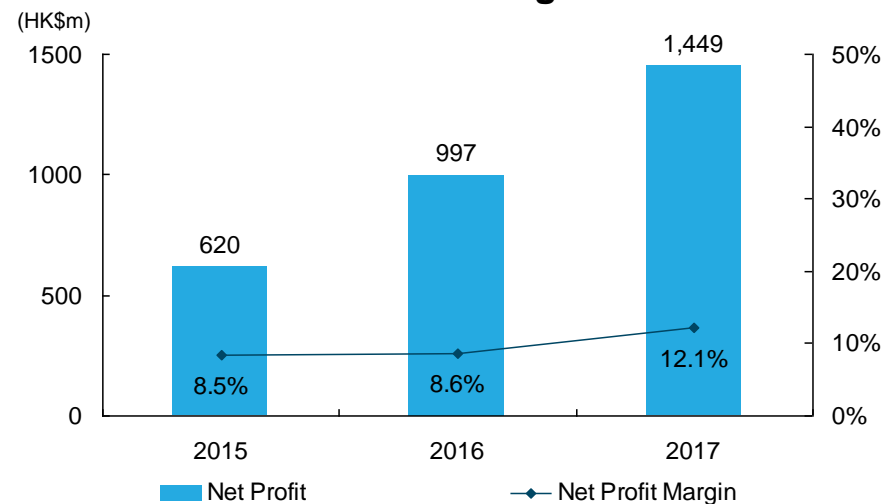
Real Estate Segment Revenue & Gross Profit margin



EBITDA and EBITDA margin



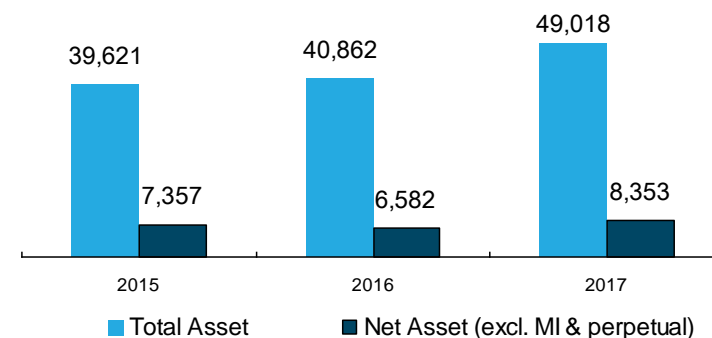
Net Profit margin



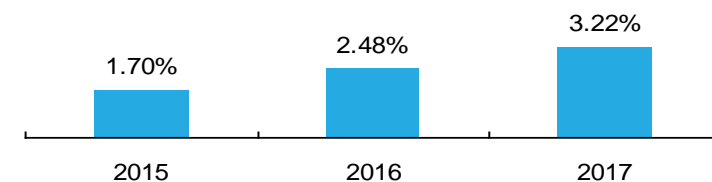
Financial Summary – Balance Sheet

(HK\$m)	31 Dec 2017	31 Dec 2016	Change
Cash and Bank Balance	6,256	5,674	+10.3%
Total Assets	49,018	40,862	+20.0%
Deferred Revenue	10,384.0	12,419.6	-16.4%
Net Assets (Ex. MI and perpetual)	8,353	6,582	+26.9%
Book NAV per share (HK\$) (Ex. MI and perpetual)	2.50	1.97	+26.9%
ROA ¹	3.22%	2.48%	+0.74Pct
ROE ²	13.08%	9.87%	+3.21pct

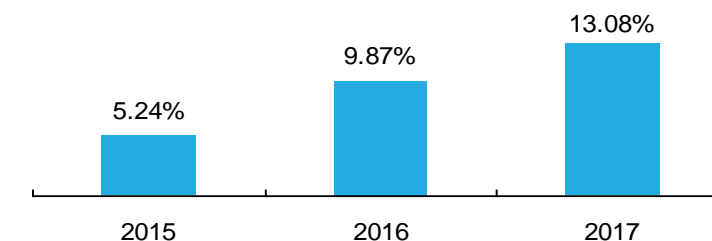
Total Assets & Net Assets (HK\$m)



ROA



ROE



Note: 1. Calculation based on the average of Total Assets from the current year and preceding year.

2. Calculation based on the average of Total Equity from the current year and preceding year, including perpetual in Total Equity.

ROE of profit attributable to shareholders / average Equity attributable to shareholders were 9.55% and 7.35% for FY17 and FY16 respectively.

Financial Position – Liquidity and Gearing Ratio

Capitalization as of 31 Dec 2017 & 31 Dec 2016

(HK\$ m)	31 Dec 2017	% of Total Cap	31 Dec 2016	% of Total Cap
Total cash ¹	6,256	25.7%	5,674	28.6%
Total debt	14,748	60.5%	11,614	58.5%
Total equity	13,603	55.8%	8,550	43.0%
Total capitalization ²	24,373	100.0%	19,865	100.0%
Total debt/total equity	108.4%		135.8%	
Total debt/total capitalization	60.5%		58.5%	
Net debt ³	8,492	34.8%	5,940	29.9%
Net gearing ⁴	62.4%		69.5%	

Unused banking facilities

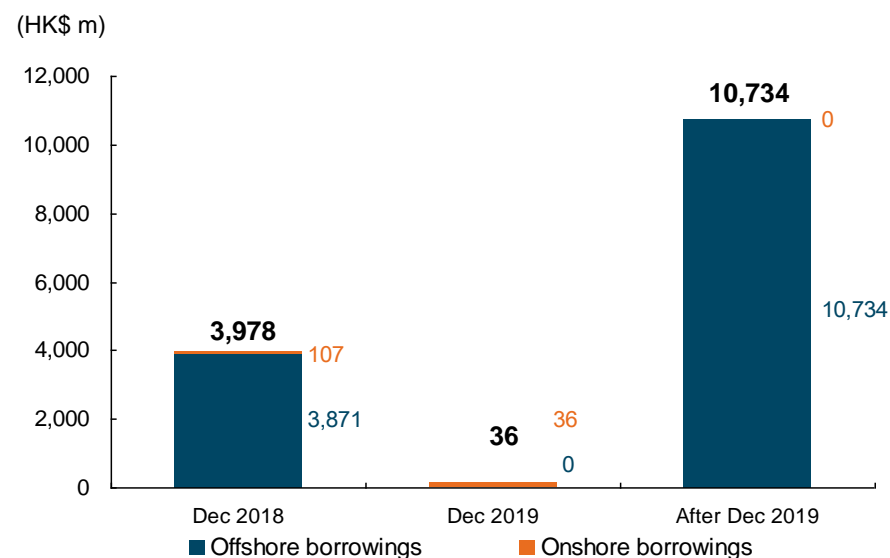
(HK\$ m)	31 Dec 2017	31 Dec 2016
Unused banking facilities	4,545	3,465
Total banking facilities	16,660	12,241
% of unused banking facilities	27.3%	28.3%

Effective interest rate as at 31 Dec 2017

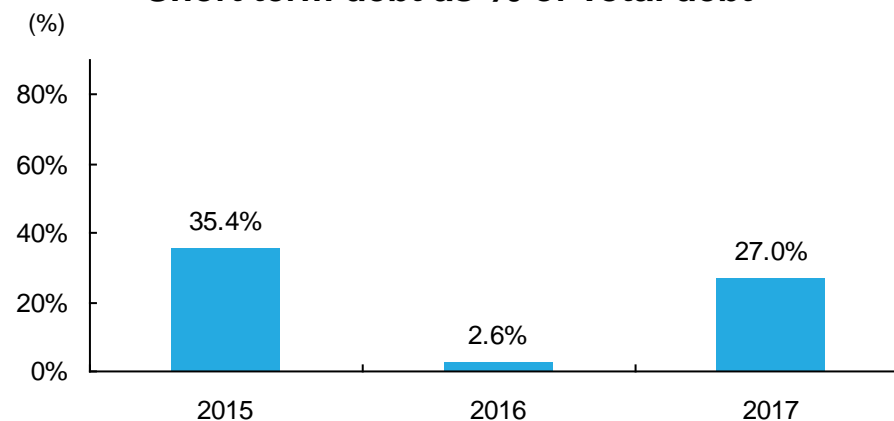
	Borrowings including bond
Off-shore	3.80%
On-shore	5.07%
Weighted Average cost of borrowing	3.81%

- Notes: 1. Total cash included restricted cash
 2. Total capitalization is defined as total long-term borrowings + total equity
 3. Net debt is defined as total debt – total cash (including restricted cash)
 4. Net gearing is defined as net debt divided by total equity

Debt maturity profile as of 31 Dec 2017

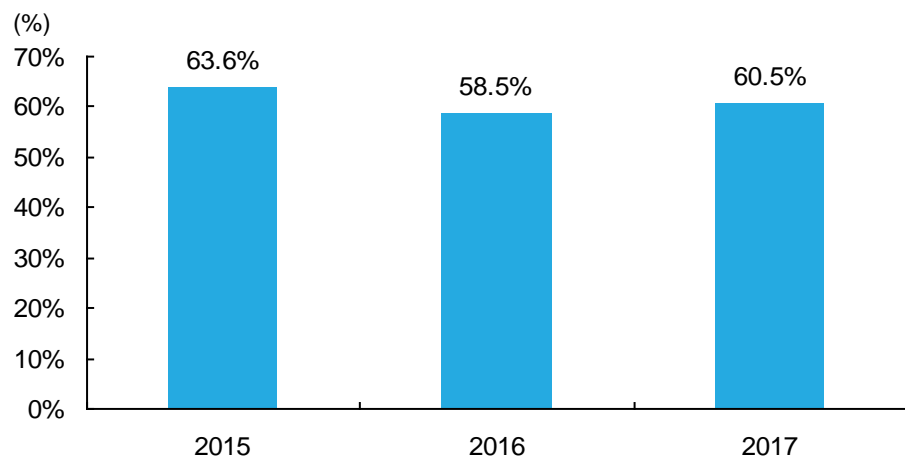


Short term debt as % of Total debt

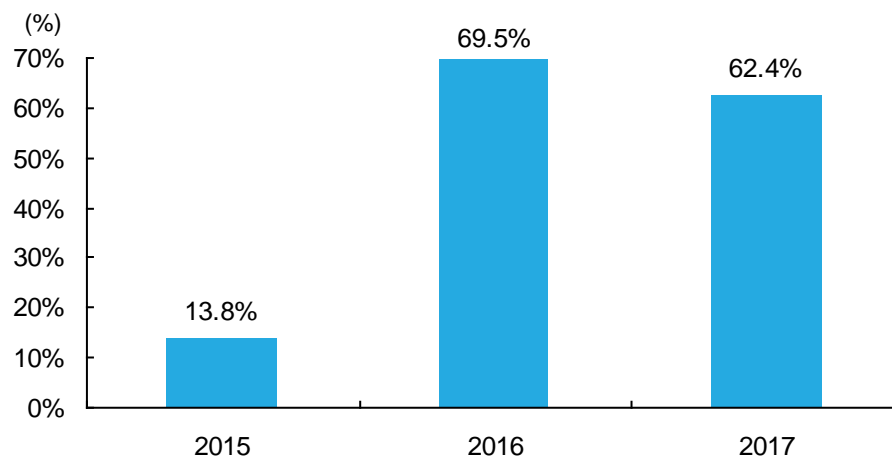


Financial Position – Sound Credit Metrics

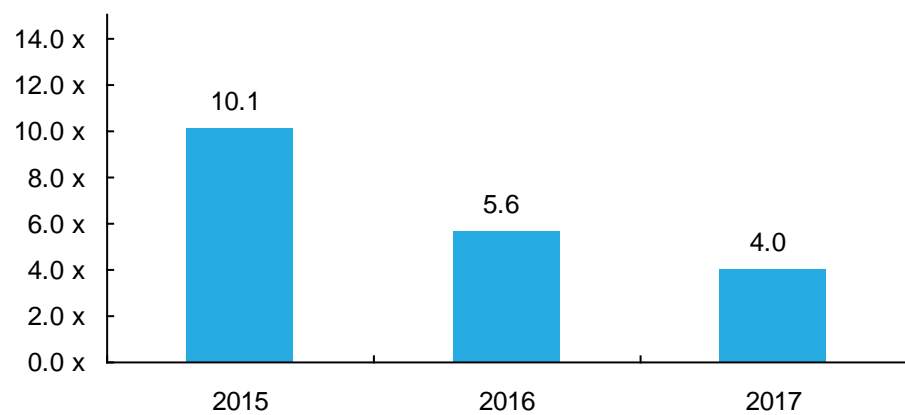
Total Debt / Total Capitalization¹



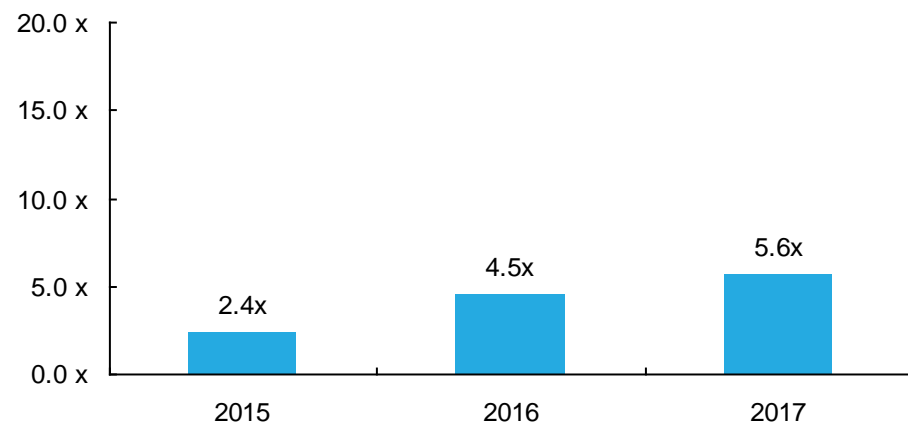
Net Debt² / Total Equity



Total Debt / EBITDA



EBITDA / Total Interest

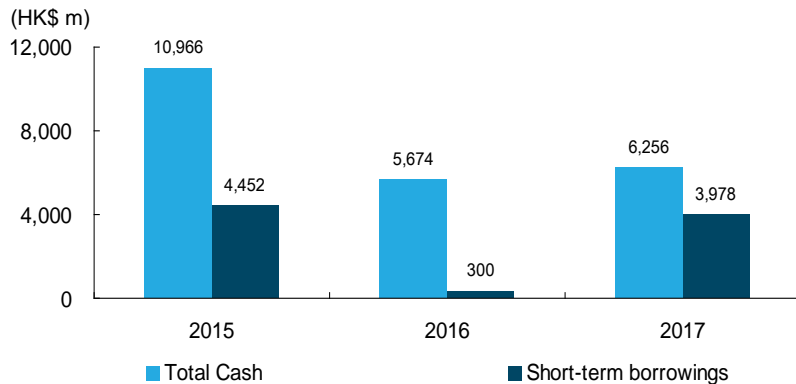


- Notes: 1. Total capitalization is defined as total long term borrowings + total equity
 2. Net debt is defined as total debt – total cash (including restricted cash)

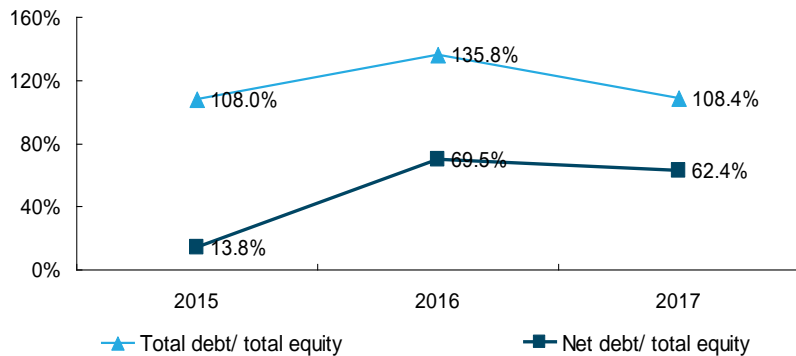
Financial Management

Prudent financial management with strong liquidity and access to multiple financing channels

Strong cash position relative to short-term borrowings



Healthy gearing ratios



Onshore

Project-level bank loans

- Mainly construction loans on project level

Shareholder's loan

- Direct financing from CMC

Banking facilities

- As of 31 Dec 2017, total banking facility of HK\$16.66n of which unutilized amount is HK\$4.5bn

Term loans

- On 20 March 2017, entered into a 5.5-year secured loan of HK\$5.5 billion
- On 28 June 2016, entered into a 4-year term loan of HK\$1.8 billion
- On 8 June 2016, entered into a 4-year syndicated loan of HK\$6.0 billion

Senior unsecured notes

- In April 2013, raised US\$350m through Senior Unsecured Notes. CMC acted as Keepwell Deed Provider

Rights issue

- In Jun 2009, raised c.HK\$524m through rights issue. CMC acted as sole underwriter

Share placement

- In Aug 2009, raised c.HK\$466m through placement
- In Dec 2009, raised c.HK\$956m through placement

Offshore

Major banking partners





五礦地產有限公司
MINMETALS LAND LIMITED

Section 3

Operational Review



Revenue Booking – Real Estate Development

	FY2017			FY2016		
	Recognised Revenue (HK\$ mn)	Saleable Area (sqm)	ASP (HK\$/sqm)	Recognised Revenue (HK\$ mn)	Saleable Area (sqm)	ASP (HK\$/sqm)
Nanjing Laguna Bay	10.6	484	21,938	18.9	573	32,988
Nanjing Riviera Royale	2.6	57	46,439	52.3	1,420	36,810
Nanjing Sello Royale	47.1	1,536	30,660	509.7	20,512	24,851
Nanjing Academic Royale	905.6	21,161	42,796	3,730.5	129,030	28,912
Nanjing Yan Shan Ju	2,537.1	75,023	33,817	-	-	-
Tianjin Minmetals Int'l	17.9	1,596	11,210	106.5	8,124	13,109
Yingkou Platinum Bay	137.0	23,187	5,911	111.8	19,202	5,820
Beijing Fortune Garden	4,516.7	55,109	81,959	3,144.9	53,320	58,982
Langfang Minmetals Vanke City	1,515.5	130,909	11,577	901.7	109,617	8,226
Changsha LOHAS Int'l Community	422.2	62,000	6,809	918.9	158,969	5,780
Changsha Scotland Town	58.8	7,994	7,357	4.1	986	4,174
Changsha Qin Royale	246.9	21,488	11,488	541.8	62,395	8,684
Huizhou Hallstatt See	406.7	30,303	13,420	448.1	40,162	11,158
Total	10,824.7	430,846	25,124	10,489.2	604,310	17,357

Land Acquisitions since 2016

Investment strategy:

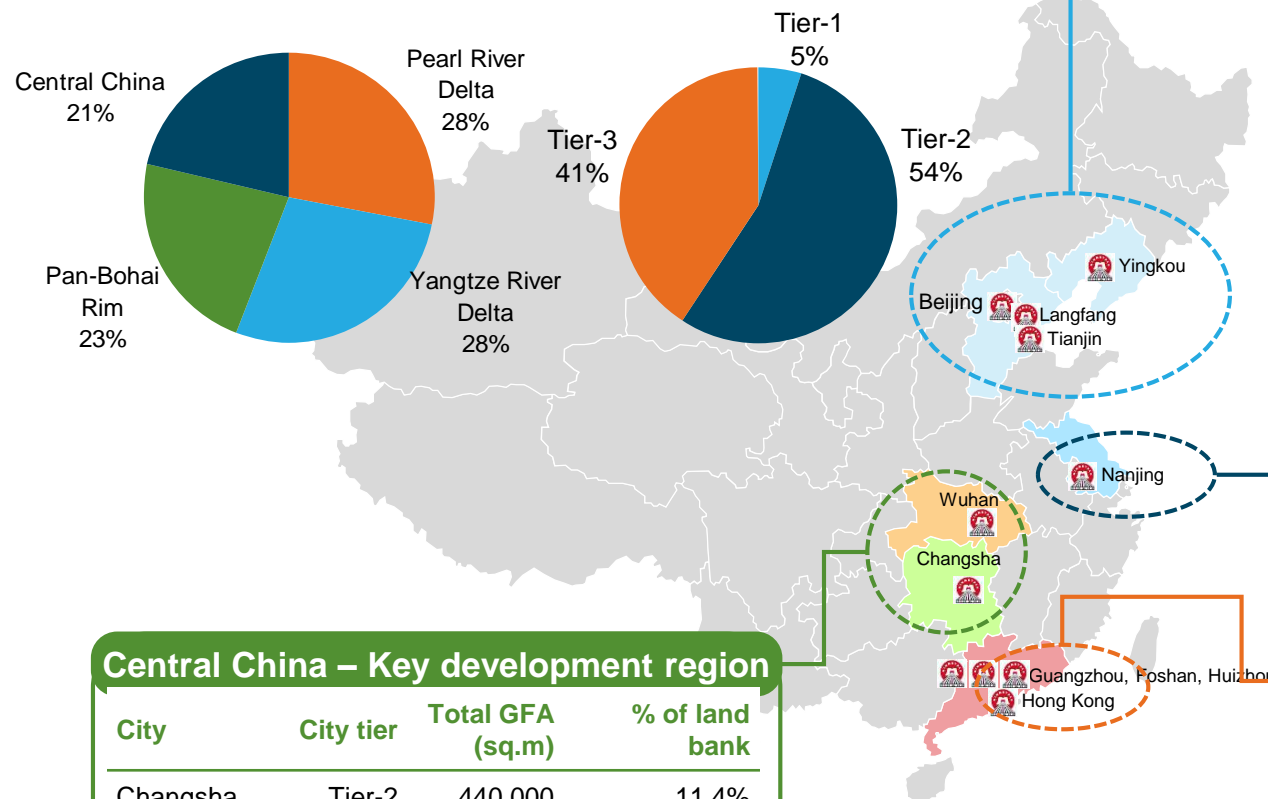
- Deepen our presence in cities with competitive advantage
- Focus on core regional cities
- Expand into selected core Tier-2 cities when appropriate

Project Name	Attributable Interest	Acquisition Date	Aggregate GFA ¹ (sqm)	Land Cost ¹ (RMB m)	Average Land Cost (RMB/sqm)	Pre-sale Launch Plan
Hong Kong Yau Tong Project	100%	03-Aug-2016	53,000	3,416	64,500	1Q2020
Nanjing Enchante Oasis	100%	23-Sep-2016	255,000	3,420	19,100	3Q2019
Nanjing Enchante Cove	100%	23-Sep-2016	144,000	1,610	16,400	3Q2018
Foshan Academic Royale	100%	24-Nov-2016	187,000	1,490	9,900	2Q2018
Guangzhou Greenery Terrace	100%	25-Nov-2016	29,000	330	18,900	2Q2018
Wuhan Enchante Crest	100%	23-May-2017	178,000	770	4,300	3Q2018
Nanjing Pukou G25 Project	39.8%	7-Jul-2017	283,000 (attributable 112,600)	4,150 (attributable 1,652)	14,700	4Q2019
Nanjing Hexi G30 Project	33.9%	7-Jul-2017	230,000 (attributable 78,000)	6,500 (attributable 2,204)	28,300	3Q2019
Wuhan Scenery Cove	100%	14-Sep-2017	210,000	1,011	4,800	3-4Q2018
Total			1,569,000 (attributable 1,246,600)	22,700 (attributable 15,900)	14,500 (attributable 12,800)	

Land bank Summary – by Area

Total land bank of 3.86m sq.m in "4+1" regions and 11 major cities

Geographical breakdown – by Area



Pan-Bohai Rim – Economic zone

City	City tier	Total GFA (sq.m)	% of land bank
Beijing	Tier-1	94,000	2.4%
Tianjin	Tier-1	22,000	0.6%
Yingkou	Tier-3	339,000	8.8%
Langfang	Tier-3	421,000	10.9%
Sub-total		876,000	22.7%

Yangtze River Delta – Economic zone

City	City tier	Total GFA (sq.m)	% of land bank
Nanjing	Tier-2	1,065,000	27.6%
Sub-total		1,065,000	27.6%

Central China – Key development region

City	City tier	Total GFA (sq.m)	% of land bank
Changsha	Tier-2	440,000	11.4%
Wuhan	Tier-2	388,000	10.1%
Sub-total		828,000	21.5%

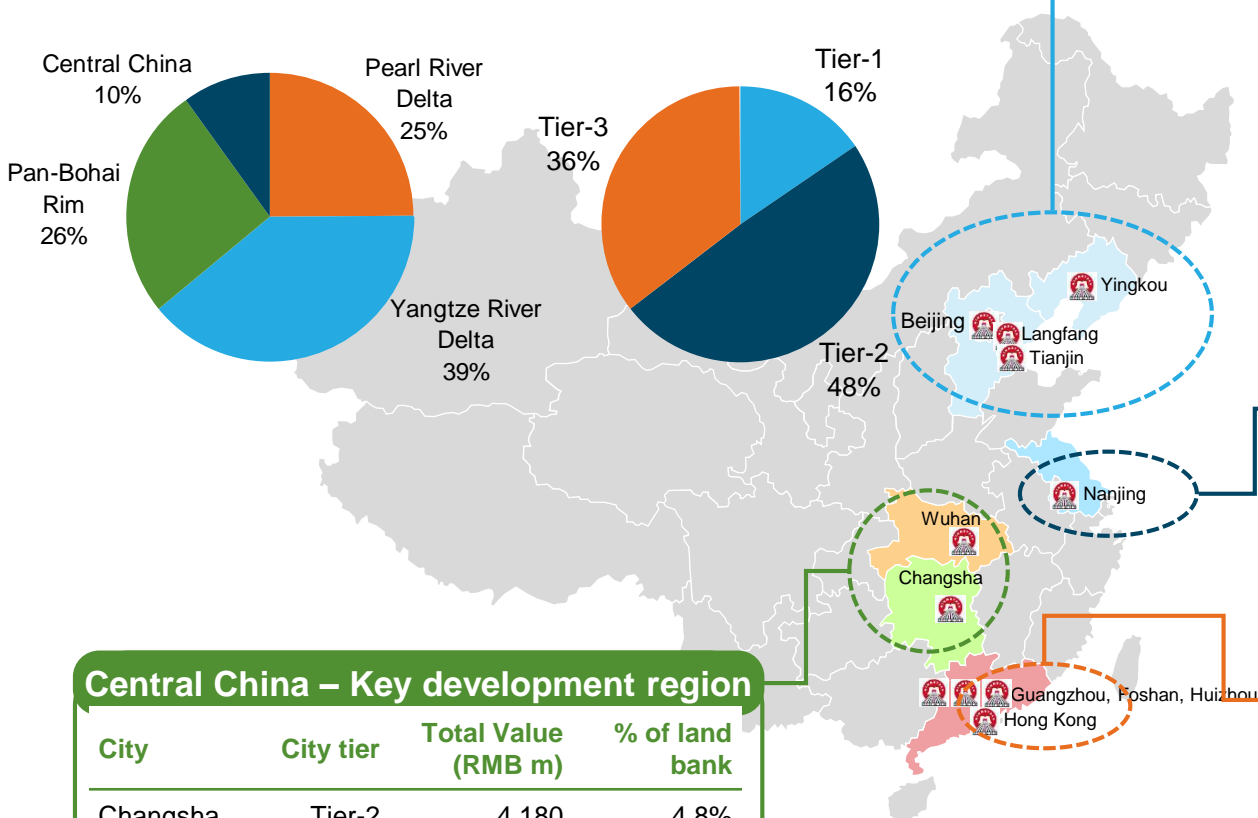
Pearl River Delta – Economic zone

City	City tier	Total GFA (sq.m)	% of land bank
Hong Kong	Tier-1	53,000	1.4%
Guangzhou	Tier-1	29,000	0.8%
Foshan	Tier-2	187,000	4.8%
Huizhou	Tier-3	818,000	21.2%
Sub-total		1,087,000	28.2%

Land bank Summary – by Value

Total land bank value of 87.3 billion in "4+1" regions and 11 major cities

Geographical breakdown – by Value



Pan-Bohai Rim – Economic zone

City	City tier	Total value (RMB m)	% of land bank
Beijing	Tier-1	1,180	1.4%
Tianjin	Tier-1	100	0.1%
Yingkou	Tier-3	1,020	1.2%
Langfang	Tier-3	20,600	23.6%
Sub-total		22,900	26.2%

Yangtze River Delta – Economic zone

City	City tier	Total Value (RMB m)	% of land bank
Nanjing	Tier-2	33,885	38.8%
Sub-total		33,885	38.8%

Central China – Key development region

City	City tier	Total Value (RMB m)	% of land bank
Changsha	Tier-2	4,180	4.8%
Wuhan	Tier-2	4,700	5.4%
Sub-total		8,880	10.2%

Pearl River Delta – Economic zone

City	City tier	Total Value (RMB m)	% of land bank
Hong Kong	Tier-1	8,350	9.6%
Guangzhou	Tier-1	790	0.9%
Foshan	Tier-2	3,220	3.7%
Huizhou	Tier-3	9,420	10.8%
Sub-total		21,780	24.9%

Land bank Summary (cont'd)

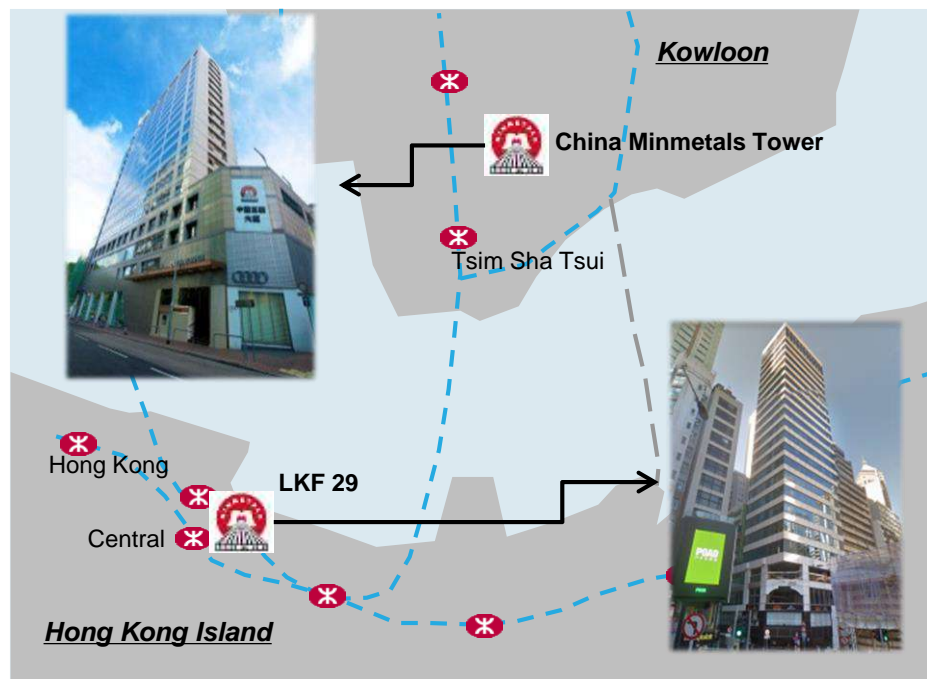
As of 31 December 2017, MML has 20 projects with land bank of 3.86m sq.m (attributable 86%) in 11 cities

Location/Project	地点/项目	Attributable interest (%)	Site area (sq.m)	Estimated GFA (sq.m)	GFA Completed (sq.m)	GFA under development (sq.m)	GFA held for future development (sq.m)	Land bank (sq.m)
Pan Bohai Rim		环渤海地区						
1. Beijing Fortune Garden	北京如园	51	139,000	414,000	308,000	106,000	—	94,000
2. Yingkou Platinum Bay	营口五矿·铂海湾	100	396,000	521,000	158,000	129,000	234,000	339,000
3. Langfang Minmetals Vanke City	廊坊五矿万科城	50	433,000	704,000	284,000	153,000	267,000	421,000
4. Tianjin Minmetals International	天津中国五矿商务大厦	100	21,000	183,000	183,000	—	—	22,000
Yangtze River Delta		长三角地区						
5. Nanjing Sello Royale	南京五矿·九玺台	100	179,000	270,000	270,000	—	—	29,000
6. Nanjing Academic Royale	南京五矿·崇文金城	100	136,000	482,000	403,000	79,000	—	77,000
7. Nanjing Yan Shan Ju	南京晏山居	100	91,000	203,000	192,000	11,000	—	47,000
8. Nanjing Enchante Oasis	南京澜悦栖园居	100	95,000	255,000	—	255,000	—	255,000
9. Nanjing Enchante Cove	南京澜悦方山	100	68,000	144,000	—	144,000	—	144,000
10. Nanjing Pukou G25 Project	南京浦口项目	39.8	83,400	283,000	—	283,000	—	283,000
11. Nanjing Hexi G30 Project	南京河西项目	33.9	43,000	230,000	—	—	230,000	230,000
Central China		华中地区						
12. Changsha LOHAS Int'l Community	长沙五矿·龙湾国际社区	100	643,000	1,084,000	924,000	158,000	2,000	20,000
13. Changsha Scotland Town	长沙格兰小镇	100	333,000	442,000	442,000	—	—	-
14. Changsha Qin Royale	长沙五矿·沁园金城	100	150,000	534,000	128,000	187,000	219,000	420,000
15. Wuhan Enchante Crest	武汉澜悦云玺	100	61,000	178,000	—	—	178,000	178,000
16. Wuhan Scenery Cove	武汉万境水岸	100	52,400	210,000	—	—	210,000	210,000
Pearl River Delta		珠三角地区						
17. Huizhou Hallstatt See	惠州五矿·哈施塔特	100	984,000	1,003,000	194,000	41,000	768,000	818,000
18. Hong Kong Yau Tong Project	香港油塘项目	100	10,800	53,000	—	53,000	-	53,000
19. Foshan Academic Royale	佛山崇文金城	100	42,500	187,000	—	27,000	160,000	187,000
20. Guangzhou Greenery Terrace	广州万樾台	100	30,600	29,000	—	29,000	-	29,000
Total	总计		3,991,700	7,409,000	3,486,000	1,655,000	2,268,000	3,856,000

Property Investment

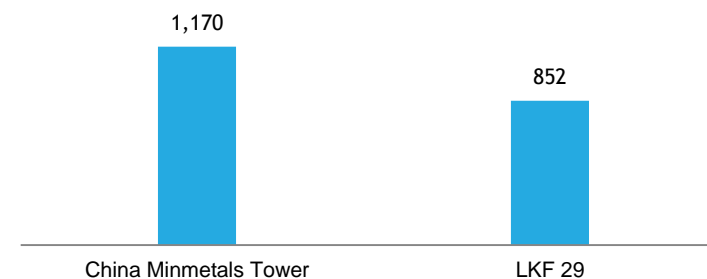
Investment properties

- **Two landmark investment properties at prime locations in Hong Kong** with significant assets appreciation potential and strong leasing demand
- Visible future cashflow streams through mid-to-long term leases with credible international and local tenants

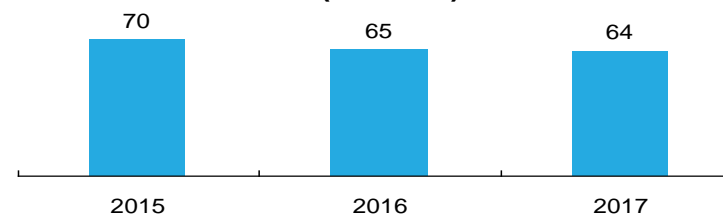


	LKF 29	China Minmetals Tower
Location	Central	Tsim Sha Tsui
Total GFA (sq.m)	~5,036	~10,790
Usage	Office & retail	Office & retail
Occupancy rate¹	87.4%	95.0%

Fair value of Two Investment Properties² (HK\$ mn)



Rental Income from Property Investment Segment (HK\$ mn)



Note: 1. As of 31 Dec 2017 and included GFA occupied by CMC & MML
 2. As of 31 Dec 2017, including GFA occupied by CMC & MML



五礦地產有限公司
MINMETALS LAND LIMITED

Section 4

Strategy and Guidance



Corporate Strategy

Real estate development as core business; Industrial real estate operation and construction in multiple areas as two wings; asset management, property services and real estate finance provides additional business growth

Brand strategy

- Continue to improve brand value by enhancing product and services quality
- Expand value-added services to cover full customer lifecycle

Capital markets strategy

- Expand debt financing channels and lower financing costs
- Extend shareholder base to improve equity financing capability
- Explore alternative and innovative financing and securitization channels

Financial management strategy

- Standardization and automation of financial management throughout project lifecycle
- Increase profitability by implementing refined cost control system



Operation strategy

- Accelerate project development lifecycle to increase turnover
- Promote platform integration via entrusted management agreement with CMC
- Utilize ERP system to enhance operational, financial, taxation, inventory management efficiency

Product and services strategy

- Develop distinct product lines for residential real estate (high-end, urban, suburban) and commercial real estate ("Live" complex)
- Standardized product lines to accommodate rigid demand, upgrading and premium customers needs
- Explore new product lines and services to cover evolving market demands
- Asset light model providing entrusted management services and property management services
- Provides innovative financial arrangement to project partners

Geographic and land bank strategy

- Deepen regional exposure through "4+1" regional operation headquarters
- Focus on key markets with economic growth potential (1.5 / 2nd tier provincial capital cities)
- Ensure sufficient land bank via public auction as well as mergers and acquisitions
- Replenish land bank via industrial property operation

Premium Brand for Quality Development

Well-recognized brand name of “Minmetals Land 五矿地产” and quality product offerings

Well recognized brand name



五矿地产有限公司
MINMETALS LAND LIMITED



2017

Top 100 Excellent Chinese Real Estate Developers in 2017-48th

Guandian Real Estate New Media Agency



2017

Most Influential Real Estate Developer in China in 2017

Boao Real Estate Forum



2017

China Blue Chip Real Estate Developer in 2017

Economic Observer



2016

Most Valuable Listed Real Estate Developer in 2016

Boao Real Estate Forum

Customer value system

VIP LIFE
幸福生活价值体系
37°C生活服务体系

Residential products

Product lines	Target customers	Landmark projects
High-end series	<ul style="list-style-type: none"> High-end upgraders and wealthy customers 	
Urban series	<ul style="list-style-type: none"> First-time purchasers and upgraders 	<p>(Entrustment-managed)</p>
Suburban series	<ul style="list-style-type: none"> Full customer lifecycle 	<p>(Entrustment-managed) (Entrustment-managed)</p>

New product lines

Product line	Target customers	Pipeline projects
"Live" commercial complex	<ul style="list-style-type: none"> Customers with lifestyle focus 	<p>(Entrustment-managed) (Entrustment-managed)</p>
Industrial real estate	<ul style="list-style-type: none"> Industrial real estate parks 	<p>Pipeline industrial park projects in Nanjing, Chengdu and Jinan</p>

Operational Guidance Highlights

Rapid growth of Contracted Sales - 2020 Contracted Sales target of more than RMB40bn, representing a CAGR of over 60%

	2018 Target	2017 Actual	2018 to 2017 YoY Change
1) Contracted sales (RMB million)	15,000	8,051	+86%
2) Contracted sales (s.q.m)	700,000	371,400	+89%
3) GFA under construction (sqm)	2,822,000	1,906,000	+48%
4) GFA completed (sqm)	571,000	421,000	+36%
5) Area available for sale/pre-sale (sqm)	900,000	545,000	+65%
6) Area available for sale/pre-sale (RMB million)	20,000	12,000	+67%
7) Sell-through rate (item 2/5)	78%	68%	+10pct
8) Cash collection rate	85%	85%	-
9) New land acquisition ¹ (sq.m.)	1,000,000	901,000	+11%
10) New land bank acquisition ¹ (RMB million)	15,000	12,431	+21%
11) Outstanding land premium (RMB million)	-	-	-

Note 1 : On 100% basis; assumed attributable interest of ~51-55%

2. Including PUD from 2017 carry-forward of 1,485,000 sqm and new PUD in 2018 of 1,337,000 sqm

3. Including PUD from 2016 carry-forward of 725,000 sqm and new PUD in 2017 of 1,181,000 sqm



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Thank You!

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